

(Do not write above this line.)

**State Bar Court of California
Hearing Department
San Francisco
ACTUAL SUSPENSION**

Counsel For The State Bar Robert A. Henderson 180 Howard Street San Francisco, California 94105 Telephone: (415) 538-2385 Bar # 173205	Case Number(s): 09-O-11000; 10-O-00256; 10-O-02666; 10-O-05456; 11-O-14717; 11-O-14877	For Court use only <div style="text-align: center;">PUBLIC MATTER FILED MAY 14 2012 STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO</div>
Counsel For Respondent Scott J. Drexel 1325 Howard Avenue, #151 Burlingame, California 94010 Telephone: (650) 918-8328 Bar # 65670	Submitted to: Settlement Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING ACTUAL SUSPENSION <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter of: Katherine M. Townley Bar # 226566 A Member of the State Bar of California (Respondent)		

Note: All information required by this form and any additional information which cannot be provided in the space provided, must be set forth in an attachment to this stipulation under specific headings, e.g., "Facts," "Dismissals," "Conclusions of Law," "Supporting Authority," etc.

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted November 10, 2003.
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of 16 pages, not including the order.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."



- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".
- (6) The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."
- (7) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (8) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):
 - ☒ Until costs are paid in full, Respondent will remain actually suspended from the practice of law unless relief is obtained per rule 5.130, Rules of Procedure.
 - ☐ Costs are to be paid in equal amounts prior to February 1 for the following membership years: (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure.) If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.
 - ☐ Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
 - ☐ Costs are entirely waived.

B. Aggravating Circumstances [for definition, see Standards for Attorney Sanctions for Professional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances are required.

- (1) ☐ **Prior record of discipline** [see standard 1.2(f)]
 - (a) ☐ State Bar Court case # of prior case
 - (b) ☐ Date prior discipline effective
 - (c) ☐ Rules of Professional Conduct/ State Bar Act violations:
 - (d) ☐ Degree of prior discipline
 - (e) ☐ If Respondent has two or more incidents of prior discipline, use space provided below.
- (2) ☐ **Dishonesty:** Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- (3) ☐ **Trust Violation:** Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
- (4) ☐ **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice.
- (5) ☐ **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.

(Do not write above this line.)

- (6) ☐ **Lack of Cooperation:** Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.
- (7) ☒ **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. See attachment.
- (8) ☐ **No aggravating circumstances** are involved.

Additional aggravating circumstances:

C. Mitigating Circumstances [see standard 1.2(e)]. Facts supporting mitigating circumstances are required.

- (1) ☐ **No Prior Discipline:** Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (2) ☐ **No Harm:** Respondent did not harm the client or person who was the object of the misconduct.
- (3) ☐ **Candor/Cooperation:** Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.
- (4) ☐ **Remorse:** Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.
- (5) ☐ **Restitution:** Respondent paid \$ _____ on _____ in restitution to _____ without the threat or force of disciplinary, civil or criminal proceedings.
- (6) ☐ **Delay:** These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.
- (7) ☐ **Good Faith:** Respondent acted in good faith.
- (8) ☐ **Emotional/Physical Difficulties:** At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drug or substance abuse, and Respondent no longer suffers from such difficulties or disabilities.
- (9) ☐ **Severe Financial Stress:** At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.
- (10) ☐ **Family Problems:** At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.
- (11) ☐ **Good Character:** Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct.
- (12) ☐ **Rehabilitation:** Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.

- (13) ☐ **No mitigating circumstances** are involved.

Additional mitigating circumstances:

Respondent has no prior record of discipline in eight years of practice.

D. Discipline:

- (1) ☒ **Stayed Suspension:**

- (a) ☒ Respondent must be suspended from the practice of law for a period of one-year.
- i. ☐ and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii) Standards for Attorney Sanctions for Professional Misconduct.
- ii. ☐ and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
- iii. ☐ and until Respondent does the following:
- (b) ☒ The above-referenced suspension is stayed.

- (2) ☒ **Probation:**

Respondent must be placed on probation for a period of two-years, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18, California Rules of Court)

- (3) ☒ **Actual Suspension:**

- (a) ☒ Respondent must be actually suspended from the practice of law in the State of California for a period of 60-days.
- i. ☐ and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
- ii. ☐ and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
- iii. ☐ and until Respondent does the following:

E. Additional Conditions of Probation:

- (1) ☐ If Respondent is actually suspended for two years or more, he/she must remain actually suspended until he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in the general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.
- (2) ☒ During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) ☒ Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of

information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.

- (4) ☒ Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
- (5) ☒ Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state whether there are any proceedings pending against him or her in the State Bar Court and if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next quarter date, and cover the extended period.

In addition to all quarterly reports, a final report, containing the same information, is due no earlier than twenty (20) days before the last day of the period of probation and no later than the last day of probation.

- (6) ☐ Respondent must be assigned a probation monitor. Respondent must promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, Respondent must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (7) ☒ Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.
- (8) ☒ Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
- ☐ No Ethics School recommended. Reason: .
- (9) ☐ Respondent must comply with all conditions of probation imposed in the underlying criminal matter and must so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Office of Probation.
- (10) ☐ The following conditions are attached hereto and incorporated:
- | | |
|---|---|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions | <input type="checkbox"/> Financial Conditions |

F. Other Conditions Negotiated by the Parties:

- (1) ☒ **Multistate Professional Responsibility Examination:** Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Office of Probation during the period of actual suspension or within one year, whichever period is longer. **Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 9.10(b), California Rules of Court, and rule 5.162(A) & (E), Rules of Procedure.**

(Do not write above this line.)

☐ No MPRE recommended. Reason:

- (2) ☐ **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (3) ☐ **Conditional Rule 9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 120 and 130 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (4) ☐ **Credit for Interim Suspension [conviction referral cases only]:** Respondent will be credited for the period of his/her interim suspension toward the stipulated period of actual suspension. Date of commencement of interim suspension:
- (5) ☐ **Other Conditions:**

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: Katherine M. Townley

CASE NUMBERS: 09-O-11000; 10-O-00256; 10-O-02666; 10-O-05456;
 11-O-14717; 11-O-14877

FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true and that she is culpable of violations of the specified statutes and/or Rules of Professional Conduct.

Case No. 09-O-11000 (Complainant: Chasity Grant)

FACTS:

1. On August 21, 2007, Chasity Grant ("Grant") hired respondent for help regaining custody of her children in a guardianship proceeding.
2. Grant paid respondent \$2,000 in advanced fees for the guardianship matter.
3. Between August 27, 2007, and May 6, 2008, respondent had the guardianship matter continued several times.
4. Between August 27, 2007, and May 6, 2008, respondent failed to take any substantive step toward resolving the guardianship matter on behalf of Grant.
5. Between March 24, 2008, and May 6, 2008, Grant made numerous attempts to communicate with respondent in order to obtain a status update on the guardianship matter. Respondent failed to respond to Grant's left messages.
6. On May 6, 2008, respondent was substituted out of the guardianship matter by Grant.
7. On January 28, 2009, Grant filed a complaint against respondent with the State Bar of California.
8. On April 22, 2009, and May 11, 2009, a State Bar Investigator sent letters to respondent regarding the complaint. The letters requested respondent's written response to the allegations of misconduct being investigated. Respondent received the letters, but did not respond.

CONCLUSIONS OF LAW:

Count One

9. By failing to take any substantive step toward completing the guardianship matter from August 27, 2007 to May 6, 2008, respondent intentionally, recklessly, and repeatedly failed to perform legal services with competence in willful violation of Rules of Professional Conduct, rule 3-110(A).

Count Two

10. By failing to respond to Grant's numerous efforts at communication between March 24, 2008 and May 6, 2008, respondent intentionally failed to respond to reasonable status inquiries of a client in a matter in which respondent had agreed to provide legal services in willful violation of Business and Professions Code section 6068(m).

Count Three

11. By failing to respond to the State Bar Investigator's April 22, 2009 and May 11, 2009, letters, respondent willfully failed to cooperate and participate in a disciplinary investigation pending against respondent in willful violation of Business and Professions Code section 6068(i).

Case No. 10-O-00256 (Complainant: Frosty Roades)

FACTS:

12. On May 29, 2008, Frosty Roades ("Roades") hired respondent for a dissolution of marriage. Roades paid respondent \$1,500 in advanced fees.

13. On May 29, 2008, respondent filed a petition for dissolution, but did not serve the opposing party. Between May 29, 2008 and July 2009, respondent took no other affirmative step toward completing the dissolution of marriage matter for Roades.

14. Between May 29, 2008, and July 2009, Roades left numerous messages with respondent requesting a status update on the matter. Respondent received these messages, but did not respond.

15. At most respondent earned \$500 of the advanced fees.

16. To date respondent has not refunded any of the unearned \$1,000 in advanced fees.

17. On June 29, 2009, Roades filed a complaint against respondent with the State Bar of California.

18. On November 9, 2009, a State Bar Complaint Analyst wrote to respondent requesting a written response about the status of the Roades case and a full accounting of attorney's fees paid. Respondent received the letter shortly after it was sent, but did not respond in any way.

19. On February 5, 2010, and February 23, 2010, a State Bar Investigator sent letters to respondent regarding the complaint. The letters requested respondent's written response to the allegations of misconduct being investigated. Respondent received the letters, but did not respond.

CONCLUSIONS OF LAW:

Count Four

20. By failing to take any substantive step after filing the petition for dissolution of marriage toward completing the dissolution of marriage matter from May 29, 2008 to July 2009, respondent intentionally, recklessly, and repeatedly failed to perform legal services with competence in willful violation of Rules of Professional Conduct, rule 3-110(A).

Count Five

21. By failing to refund the unearned \$1,000 in advanced fees, respondent failed to refund promptly any part of a fee paid in advance that has not been earned in willful violation of Rules of Professional Conduct, rule 3-700(D)(2).

Count Six

22. By failing to respond to Roades' numerous efforts at communication between May 29, 2008 and July 2009, respondent intentionally failed to respond to reasonable status inquiries of a client in a matter in which respondent had agreed to provide legal services in willful violation of Business and Professions Code section 6068(m).

Count Seven

23. By failing to respond to the Complaint Analyst's and State Bar Investigator's November 9, 2009, February 5, 2010, and February 23, 2010, letters, respondent willfully failed to cooperate and participate in a disciplinary investigation pending against respondent in willful violation of Business and Professions Code section 6068(i).

Case No. 10-O-02666 (Complainant: Megan Williams)

FACTS:

24. In July 2009, Megan Williams ("Williams") hired respondent for a modification of child support matter. Williams paid respondent \$2,000 in advanced fees.

25. On August 31, 2009, respondent filed an "Order to Show Cause – Child Support, Attorneys Fees and Costs" on behalf of Williams. A hearing was set for September 28, 2009. The OSC was not properly served on the opposing party.

26. On September 17, 2009, respondent filed an "Application and Order for Reissuance of Order to Show Cause." A hearing was set for October 19, 2009.

27. On October 19, 2009, respondent failed to appear at the OSC and the matter was continued to October 26, 2009.

28. On October 26, 2009, opposing counsel notified the court that he had not been properly served and the matter was dropped from the calendar. The matter was eventually restored to the calendar and trial was set for December 1, 2009.

29. On November 25, 2009, respondent informed Williams that she needed to pay an additional \$750 for trial. Williams did not immediately pay the \$750.

30. On November 25, 2009, respondent filed a motion to be relieved as counsel for Williams. Respondent did not attempt to have the December 1, 2009, trial continued or take any other action to protect the interests of Williams. Respondent did not notify Williams that she had filed the motion to be relieved as counsel.

31. On December 1, 2009, respondent failed to appear at trial with Williams. Respondent did not tell Williams that she would not appear at trial.

32. On December 1, 2009, respondent's law partner David Perrine ("Perrine") appeared. Although Perrine was willing to handle the trial, Williams refused his assistance. Williams refused the assistance of Perrine because she did not know him and was not comfortable with his assistance. Williams represented herself at trial. Williams lost the child support matter at trial.

33. On December 2, 2009, Williams sent respondent a letter requesting an itemized billing for the services rendered. In April 2010 and May 2010, respondent sent two conflicting billing statements to Williams. According to the billing statements Williams was either owed a refund of \$33.86 or Williams owed respondent \$773.

CONCLUSIONS OF LAW:

Count Eight

34. By failing to properly serve the matter on the opposing party and opposing counsel, and by not appearing at trial with Williams, respondent intentionally, recklessly, and repeatedly failed to perform legal services with competence in willful violation of Rules of Professional Conduct, rule 3-110(A).

Count Nine

35. By failing to advise Williams that she had filed a Motion to be relieved as counsel, by failing to advise Williams that she would not appear at trial, and by failing to advise Williams that Perrine would be appearing on her behalf at trial, respondent failed to keep a client reasonably informed of significant developments in a matter in which respondent had agreed to provide legal services in willful violation of Business and Professions Code section 6068(m).

Count Ten

36. By filing a motion to be relieved as counsel without first notifying Williams and by filing a motion to be relieved as counsel without attempting to continue the matter, respondent failed upon termination of employment to take reasonable steps to avoid reasonably foreseeable prejudice to her client in willful violation of Rules of Professional Conduct, rule 3-700(A)(2).

Count Eleven

37. By failing to provide an accounting until April 28, 2010, and by providing conflicting accountings to Williams, respondent failed to promptly render appropriate accounts to a client regarding all funds coming into respondent's possession in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 10-O-05456 (Complainant: Carla Hunt)

FACTS:

38. On July 15, 2008, Carla Hunt ("Hunt") hired respondent for a dissolution of marriage matter. Hunt paid respondent \$5,000 in advanced fees.

39. On December 3, 2009, a settlement in principal was reached between the parties.

40. On December 11, 2009, Hunt received a copy of the proposed settlement agreement. Thereafter, Hunt made numerous attempts to communicate with respondent regarding the settlement agreement. Respondent received these communications, but did not respond.

41. On January 5, 2010, Hunt received a copy of the proposed marital settlement agreement. Thereafter, Hunt made numerous attempts to communicate with respondent regarding the marital settlement agreement. Respondent received these communications, but did not respond.

42. Respondent never finalized the dissolution of marriage or marital settlement agreement for Hunt.

CONCLUSIONS OF LAW:

Count Twelve

43. By failing to finalize the dissolution of marriage and by failing to finalize the marital settlement agreement, respondent intentionally, recklessly, and repeatedly failed to perform legal services with competence in willful violation of Rules of Professional Conduct, rule 3-110(A).

Count Thirteen

44. By failing to respond to Hunt's numerous efforts at communication regarding the dissolution of marriage and the marital settlement agreement, respondent intentionally failed to respond to reasonable status inquiries of a client in a matter in which respondent had agreed to provide legal services in willful violation of Business and Professions Code section 6068(m).

Case No. 11-O-14717 (Complainant: Tranquilino Martinez)

FACTS:

45. On August 4, 2010, Tranquilino and Joanne Martinez ("the Martinezes") hired respondent to represent their daughter, Joanne Nijem ("Nijem") regarding a temporary restraining order. The Martinezes paid respondent \$750 on behalf of their daughter.

46. Respondent did not obtain the client's written consent to the payment of fees from someone other than the client.

47. Respondent never advised Nijem in writing that while she was accepting fees from someone other than the client, that there would be no interference with respondent's independence of professional judgment or with the lawyer-client relationship.

48. Respondent never advised Nijem in writing that while she was accepting fees from someone other than the client, that any and all information relating to the representation of the client was protected as required by Business and Professions Code section 6068(e).

49. Respondent never advised the Martinezes that while she was accepting fees from them, they would not be allowed to interfere with respondent's professional judgment or with the attorney-client relationship, nor did she advise them that she would not disclose any confidential information relating to the representation of Nijem.

50. Respondent never communicated with Nijem.

51. The Martinezes have received a full refund of the \$750.

CONCLUSIONS OF LAW:

Count Fourteen

52. By accepting fees from the Martinezes for the representation of Nijem, and by failing to make the required disclosures regarding representation and confidentiality, and by failing to obtain the client's written consent to the payment of the fees, respondent willfully violated Rules of Professional Conduct, rule 3-310(F).

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was April 10, 2012.

AUTHORITIES SUPPORTING DISCIPLINE.

Layton v. State Bar (1990) 50 Cal.3d 889 – Layton an attorney with no prior disciplinary record and 30 years of practice failed to competently perform as the attorney for a trust and estate for a period of five years. Layton received a 30-day actual suspension.

In the Matter of Greenwood (Review Dept. 1998) 3 Cal. State Bar Ct. Rptr. 831 – Greenwood improperly withdrew in one client matter, failed to competently perform legal services in one additional client matter, and failed to return client files. Also there was a violation of a court order, failure to comply with a discovery order and a failure to cooperate in the disciplinary investigation. Greenwood received a 90-day actual suspension from the practice of law.

Standard 2.4(b) – “Culpability of a member of willfully failing to perform services in an individual matter or matters not demonstrating a pattern of misconduct or culpability of a member of willfully failing to communicate with a client shall result in reproof or suspension depending upon the extent of the misconduct and the degree of harm to the client.”

DISMISSALS.

The parties respectfully request the Court to dismiss the following alleged violations in the interest of justice:

<u>Case No.</u>	<u>Count</u>	<u>Alleged Violation</u>
11-O-14877	Sixteen	Failure to perform with competence
11-O-14877	Seventeen	Failure to respond to client inquiries
11-O-14877	Eighteen	Failure to refund unearned fees

Respondent contests the allegations in counts sixteen through eighteen. Respondent has refunded the \$100 to Stacey Walden. The client is satisfied with this result.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of April 10, 2012, the prosecution costs in this matter are \$7,729.00. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

(Do not write above this line.)

In the Matter of: Katherine M. Townley	Case Number(s): 09-O-11000; 10-O-00256; 10-O-02666; 10-O-05456; 11-O-14717; 11-O-14877
---	--

Financial Conditions

a. Restitution

- ☒ Respondent must pay restitution (including the principal amount, plus interest of 10% per annum) to the payee(s) listed below. If the Client Security Fund ("CSF") has reimbursed one or more of the payee(s) for all or any portion of the principal amount(s) listed below, Respondent must also pay restitution to CSF in the amount(s) paid, plus applicable interest and costs.

Payee	Principal Amount	Interest Accrues From
Frosty Roades	\$1,000.00	July 1, 2009

- ☐ Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than

b. Installment Restitution Payments

- ☒ Respondent must pay the above-referenced restitution on the payment schedule set forth below. Respondent must provide satisfactory proof of payment to the Office of Probation with each quarterly probation report, or as otherwise directed by the Office of Probation. No later than 30 days prior to the expiration of the period of probation (or period of reprobation), Respondent must make any necessary final payment(s) in order to complete the payment of restitution, including interest, in full.

Payee/CSF (as applicable)	Minimum Payment Amount	Payment Frequency
Frosty Roades	\$100.00	Monthly

- ☒ If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.

c. Client Funds Certificate

- ☐ 1. If Respondent possesses client funds at any time during the period covered by a required quarterly report, Respondent must file with each required report a certificate from Respondent and/or a certified public accountant or other financial professional approved by the Office of Probation, certifying that:
- Respondent has maintained a bank account in a bank authorized to do business in the State of California, at a branch located within the State of California, and that such account is designated as a "Trust Account" or "Clients' Funds Account";

b. Respondent has kept and maintained the following:

- i. A written ledger for each client on whose behalf funds are held that sets forth:
 - 1. the name of such client;
 - 2. the date, amount and source of all funds received on behalf of such client;
 - 3. the date, amount, payee and purpose of each disbursement made on behalf of such client; and,
 - 4. the current balance for such client.
- ii. a written journal for each client trust fund account that sets forth:
 - 1. the name of such account;
 - 2. the date, amount and client affected by each debit and credit; and,
 - 3. the current balance in such account.
- iii. all bank statements and cancelled checks for each client trust account; and,
- iv. each monthly reconciliation (balancing) of (i), (ii), and (iii), above, and if there are any differences between the monthly total balances reflected in (i), (ii), and (iii), above, the reasons for the differences.

c. Respondent has maintained a written journal of securities or other properties held for clients that specifies:

- i. each item of security and property held;
- ii. the person on whose behalf the security or property is held;
- iii. the date of receipt of the security or property;
- iv. the date of distribution of the security or property; and,
- v. the person to whom the security or property was distributed.

- 2. If Respondent does not possess any client funds, property or securities during the entire period covered by a report, Respondent must so state under penalty of perjury in the report filed with the Office of Probation for that reporting period. In this circumstance, Respondent need not file the accountant's certificate described above.
- 3. The requirements of this condition are in addition to those set forth in rule 4-100, Rules of Professional Conduct.

d. Client Trust Accounting School

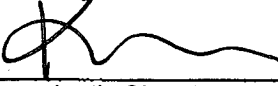
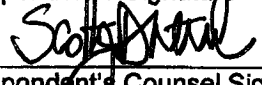

- ☒ Within one (1) year of the effective date of the discipline herein, Respondent must supply to the Office of Probation satisfactory proof of attendance at a session of the Ethics School Client Trust Accounting School, within the same period of time, and passage of the test given at the end of that session.

(Do not write above this line.)

In the Matter of: Katherine M. Townley	Case number(s): 09-O-11000; 10-O-00256; 10-O-02666; 10-O-05456; 11-O-14717; 11-O-14877
---	--

SIGNATURE OF THE PARTIES

By their signatures below, the parties and their counsel, as applicable, signify their agreement with each of the recitations and each of the terms and conditions of this Stipulation Re Facts, Conclusions of Law, and Disposition.

<u>4-18-12</u> Date	 Respondent's Signature	<u>Katherine M. Townley</u> Print Name
<u>4-19-12</u> Date	 Respondent's Counsel Signature	<u>Scott J. Drexel</u> Print Name
<u>4/19/12</u> Date	 Deputy Trial Counsel's Signature	<u>Robert A. Henderson</u> Print Name

(Do not write above this line.)

In the Matter of: Katherine M. Townley	Case Number(s): 09-O-11000; 10-O-00256; 10-O-02666; 10-O-05456; 11-O-14717; 11-O-14877
---	--

ACTUAL SUSPENSION ORDER

Finding the stipulation to be fair to the parties and that it adequately protects the public, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- ☐ The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.
- ☒ The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.
- ☐ All Hearing dates are vacated.

1. Insert an "x" in the box next to subparagraph "(10)" on page 5.
2. Insert an "x" in the box next to the words "Financial Conditions," which are included under subparagraph (10) on page 5.

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 5.58(E) & (F), Rules of Procedure.) **The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 9.18(a), California Rules of Court.)**

Date May 14, 2012 Judge of the State Bar Court Pat McElroy

CERTIFICATE OF SERVICE

[Rules Proc. of State Bar; Rule 5.27(B); Code Civ. Proc., § 1013a(4)]

I am a Case Administrator of the State Bar Court of California. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of San Francisco, on May 14, 2012, I deposited a true copy of the following document(s):

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING

in a sealed envelope for collection and mailing on that date as follows:

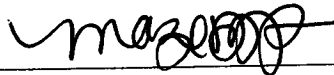
- ☒ by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at San Francisco, California, addressed as follows:

SCOTT J. DREXEL
1325 HOWARD AVE #151
BURLINGAME, CA 94010

- ☒ by interoffice mail through a facility regularly maintained by the State Bar of California addressed as follows:

ROBERT A. HENDERSON, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on May 14, 2012.



Mazie Yip
Case Administrator
State Bar Court